

## Part G: Measurement and Performance Analysis

### **ACTIVITY BASED COSTING (ABC)**

ABC is a method of measuring the consumption of resources by activities and the consumption of activities by services. Differing from Services Based Costing (SBC), which measures cost at the service level, ABC traces costs (resources consumed) to activities and then through those activities to products or services. The intent is to make “cost accounting” a tool for management decisions about cost efficiencies and effectiveness. ABC breaks services into activities that are necessary for providing that service. The advantage of the detail in ABC for the manager is to give visibility to value added and non-value added activities. ABC is in the process of morphing into the IMA/NERO ABC model to ensure that benchmarking can occur.

### **COMMON LEVELS OF SUPPORT (CLS)**

With the transformation from MACOM to the Installation Management Agency, it became apparent that the paradigm must shift in order to “Manage Installations equitably, effectively and efficiently,” (Goal 2 of Installation Management Agency Strategic Plan). The shift must occur to ensure that ever-dwindling available funding is utilized to “Provide consistent and equitable services through “standards” (Briefing IMA Leaders of Change, Ms Beverley E. Robertson, 27 July 2004). The paradigm shift is going to create a predictable environment of ISR service delivery for Installation customers. The change will ensure a uniform delivery of the Army’s highest priority installation services within available funds and it will allow the measurement and benchmarking of all USAG’s performance areas. As a “special installation”, Fort Detrick is not required to participate; however, in order to provide our stakeholders with confidence in regards to our effective and efficient use of available resources, we are EAGER to participate in what we believe will be one of the most significant transformations in the Army.

## **ARMY PERFORMANCE IMPROVEMENT CRITERIA (APIC)**

The Army Chief of Staff for Installation Management (ACSIM) Army Communities of Excellence (ACOE) Office has developed the APIC which is an adaptation of the Malcolm Baldrige National Quality Award (MBNQA) criteria. Malcolm Baldrige was a former Secretary of Commerce who implemented numerous quality-related programs such as the MBNQA which recognized initiatives of private sector companies.

The APIC contributes significantly to base operations and has improved the quality of life for our soldiers, Army civilians, and their families. It is a Chief of Staff of the Army's program that assesses excellence on installations based on the process of continuous improvement in leadership, planning, process improvement and customer service and satisfaction. The seven criteria elements are Leadership, Strategic Planning, Customer and Market Focus, Measurement, Analysis, and Knowledge Management, Human Resource Focus, Process Management and Business Results.

All Army installations are expected to conduct self-assessments using the seven APIC elements; however, participation in the ACOE annual review process and award program continues to be voluntary. The APIC focuses on self-assessment, to identify strengths/weaknesses in planning and execution with emphasis on customer requirements and satisfaction. All installations/organizations, regardless of size, are assessed against the Baldrige criteria, not against each other. A self-assessment is the first step in understanding where we are and where we are going. The true value of the current ACOE program is the assessment process done at the installation level.

The self-assessment is then followed by an external assessment and site visit conducted by ACOE Baldrige-trained examiners. Analyses, scoring and a feedback report from the examiners are evaluated by the ACOE Office in an annual competition/award process to recognize Installations that have improved their quality and customer initiatives. Any award for achieving significant improvement or achieving excellence is secondary to the long-term improvement that is possible with the self-assessment and the external review and feedback report. Fort Detrick plans to focus on the weaknesses

and areas for improvement identified in the feedback reports to help close gaps in several performance and operational areas.

## **PERFORMANCE MEASUREMENT**

Balanced Scorecard (BSC) provides a four-perspective framework (Customer/Mission, Internal Processes, Learning and Growth, Financial) to translate strategy into operational terms. In the spring of 2001, the USAG adapted the Plan, Do, Check, Act (PDCA) Cycle from its Review and Analysis (R&A) process to the BSC. In 2004, the USAG began reporting selected BSC measures for each from operations and its five strategic goals to its Headquarters - MRMC. Each measure has a targeted score and an actual score automatically placing it on a scale of 1 through 10 with a green, amber or red status. In mid-2004, the USAG's R&A and BSC migrated to a Performance Measurement Review based on ISR metrics. This move was made to create more opportunities for benchmarking and comparative analysis as all Army installations report under ISR.